

# DEPARTMENT OF TRANSPORTATION

## DIVISION OF MOTOR VEHICLES

### Vehicle Services

Statutory Authority: 21 Delaware Code, Section 302, 29 Delaware Code, Section 8404(8), and 30 Delaware Code, Section 3003 (21 **Del.C.** §302, 29 **Del.C.** §8404(8) & 30 **Del.C.** §3003)  
2 **DE Admin. Code** 2266

## PROPOSED

### PUBLIC NOTICE

#### 2266 Vehicle Document Fees

Pursuant to the authority provided by 21 **Del.C.** §302, 29 **Del.C.** §8404(8), and 30 **Del.C.** §3003, the Delaware Division of Motor Vehicles (DMV), adopted the Vehicle Document Fees.

The Division of Motor Vehicles seeks to adopt general revisions to its existing regulation, Vehicle Document Fees, to add an additional scenario whereby document fees are waived for customers to whom the exemption applies. Additional verbiage and grammatical edits are administrative in nature and serve in part to clarify the intent of the Division as enacted through these regulations.

#### Public Comment Period

DMV will take written comments on these proposed general revisions to Section 2266 of Title 2, Delaware Administrative Code, from August 1, 2023 through August 31, 2023. The public may submit their comments to:

Valerie Carey, Chief of Vehicle Services Division of Motor Vehicles  
([Valerie.carey@delaware.gov](mailto:Valerie.carey@delaware.gov)) or in writing to their attention,  
Delaware Department of Transportation (DelDOT)  
Division of Motor Vehicles  
PO BOX 698  
Dover, DE 19903

#### 2266 Vehicle Document Fees

#### 1.0 Authority

Pursuant to Title 30, Chapter 30, Section 3003, and Title 21, Chapter 21, Section 2102, the following Regulation regulation is promulgated, ~~effective immediately~~.

#### 2.0 Exceptions

In addition to the waivers of the vehicle document fee as specified in Section 3002(a), Chapter 30, Title 30, and Title 21, Chapter 21, Section 2102, the document fee shall not be imposed on the sale, transfer or registration of motor vehicles or trailers in the following circumstances.

- 2.1 Transfer of a motor vehicle, vehicle, or trailer by way of a gift ~~between a husband and wife, parent and child, grandparent and child, or brother and sister~~ from an immediate family member including spouse, parent, child, sibling, and grandparent, to include step and in-laws. This exemption only applies ~~on~~ to the transfer of Delaware title.
- 2.2 Transfer between joint owners, provided that for the preceding 30 days the vehicle was previously titled in the name of the joint owners and ~~subsequently~~ transferred without monetary consideration to one or more of the joint owners.
- 2.3 Transfer resulting from inheritance from or bequest of a descendant. However, purchases from an estate are subject to the vehicle document fee.
- 2.4 Change of name only because of marriage, adoption, or other court order.
- 2.5 Transfer of a motor vehicle, vehicle, or trailer from a lessor to a lessee pursuant to a ~~lease purchase~~ lease-purchase agreement, provided that the lessee has been in continuous possession of the vehicle for at least one year. Lessee must provide a letter from the lessor stating lessee paid the original document fee".
- 2.6 Lien change but only when such a change of a lien on a motor vehicle, vehicle, or trailer when the registered owner has not changed.

- 2.7 If such vehicle was previously registered in Delaware by the same owner who already paid a vehicle document fee, was then registered in another state, and is being ~~re-registered~~ re-registered in Delaware by the same owner.
- 2.8 Transfer of a motor vehicle, vehicle or trailer if such transfer is accompanied by an agreement of substitution which is equal in value to the net purchase price of the original motor vehicle, vehicle or trailer.
- 2.9 Registration of a motor vehicle by a member of the military (active, reserve or national guard) and their dependent family members who are stationed, on either a temporary or permanent basis, within the State, whose vehicles are registered in their state of residence or at their previous duty assignment (to include an overseas assignment). Military member or their dependent family member must provide documentation acceptable to the Division of Motor Vehicles indicating a temporary or permanent change of duty station within 90 days of relocating to the State or within 90 days of vehicle purchase.

**19 DE Reg. 1030 (05/01/16)**

### **3.0 Determination of Document Fees**

When a gross purchase price discrepancy exists between the title application and the lien contract vehicle purchase price (Block #1 of the lien contract), the highest price will be used in determining document fees. ~~Trade-in~~ Trade-in allowance will be deducted from the gross purchase price.

### **4.0 Trade-in Allowance**

- 4.1 Trade-in allowance for document fee computations will only be allowed for vehicles currently titled in Delaware. The following two exceptions are authorized provided positive proof (receipts, old title, etc.) are provided by vehicle owners or can be established by DMV ~~records~~ records:
- 4.1.1 Vehicle was previously registered in Delaware by the same owner who already paid a vehicle document fee, was then registered in another state, and vehicle is being used as a trade-in for a vehicle to be registered and titled in Delaware.
- 4.1.2 Vehicles bought by the owner and registered outside the state and then used for a trade-in for a vehicle to be registered and titled in this state; provided, such owner had paid to such other state a sales tax, transfer ~~tax tax~~, or some similar levy on the purchase of such motor vehicle within 90 days prior to registration and titling in this state.
- 4.2 Trade-in allowance credit is not applicable if no documentation fee was paid at the time of registration.
- 4.3 Trade-in allowance credit against document fees may not exceed the actual document fees paid on the trade-in vehicle at the time the trade-in vehicle was registered.

### **5.0 Licensed Dealer**

A certificate of title issued in the name of a licensed dealer, which has a lien or encumbrance entered against such title, shall not be considered for the sole purpose of resale and shall not be exempt from the vehicle document fee unless the vehicle is part of a manufacturer's warranty program such as a loaner vehicle and the manufacturer is the lien holder.

**19 DE Reg. 1030 (05/01/16)**

### **6.0 Transfer of Motor Vehicle**

If a transfer of a motor vehicle, vehicle or trailer is accompanied by a transfer of equity document, the document fee imposed shall be assessed on the amount of such equity.

### **7.0 Gift of Motor Vehicle**

If the motor vehicle, vehicle, trailer or motorcycle is a gift and does not qualify for exemption pursuant to subsection 2.1 of this regulation, the vehicle document fee shall be assessed based upon the current average trade-in value indicated in the most recent N.A.D.A. Guide. However, the owner may obtain an appraisal from a Delaware licensed vehicle dealer and such appraisal may also be considered in determining vehicle document fee.

### **8.0 Amount of Purchase Price**

If the amount of purchase price indicated on a non-dealer bill of sale is less than the average trade-in value as listed in the most recent N.A.D.A. Guide, the document fee is to be assessed on the current average trade in value as listed in the N.A.D.A. Guide. However, the owner may obtain an appraisal from a Delaware ~~license~~ licensed vehicle dealer and such appraisal may also be considered in determining vehicle document fee.

## 9.0 Computation of Document Fee

- 9.1 The document fee for a current model year used vehicle for which no dealer's invoice is available or that has no wholesale price listed in the N.A.D.A. Guide will be computed by using one of the following procedures:
- 9.1.1 Use the current year manufacturer's suggested retail price, if one exists, or the M.S. R. P. from the prior year's model. Depreciate that price using the following formula.

Vehicle Price	Amount Depreciation
\$0 - \$10,000	10%
\$10,001 - \$20,000	15%
\$20,001 - \$100,000	20%
Example: 1988 M.S.R.P.	1989 Oldsmobile 88, Royale, 4D Sedan \$14,498 <u>x .15% Depreciation</u> \$2,174 Depreciation Document fee will be based on \$14,498 - \$2,174 = \$12,324

- 9.1.2 If the buyer has a bill of sale from a licensed dealer, use that price.
- 9.1.3 The owner may obtain an appraisal from a Delaware licensed dealer and such appraisal may also be considered in determining vehicle document fee.

## 10.0 Wrecked or Damaged Vehicles

Applicants claiming to have purchased wrecked or dismantled vehicles and restored or rebuilt such vehicles must present such ~~vehicle~~ vehicles to the Auto Theft Unit for verification of vehicle identification numbers, along with sales slips, etc. Vehicle document fees are to be assessed based upon the average trade-in value as listed in the most recent N.A.D.A. Guide or based upon an appraisal obtained from a licensed vehicle dealer.

## 11.0 Transfer

The word "transfer" as utilized in Section 3002, Title 30, shall include the following:

- 11.1 ~~change~~ Change of business entity status

Examples: Haven Trucks **to** Fast Express  
John Doe Trucks, Inc. **to** John Doe, Inc.  
Joe Smith Buses **to** Smith Buses, Inc.  
Joe Smith **to** Smith Buses

- 11.2 ~~change~~ Change of ownership between private individuals

Examples: Joe Smith **to** Tom Jones  
Joe Smith **to** Harry Smith & or Tom Smith  
Helen Jones **to** Ralph Jones

- 11.3 The above-listed types of transfers must be accompanied by a Bill of Sale pursuant to Section 3002(b) or an affidavit. If neither a Bill of Sale ~~or~~ nor an affidavit is available, the document fee shall be based on the current N.A.D.A. average trade-in value. If the Bill of Sale or affidavit indicates no money was exchanged for the transfer of ownership and the same person signed the title for both buyer and seller, then no document fee shall be assessed.

## 12.0 Use of NADA Appraisal Guide

- 12.1 The N.A.D.A. Appraisal Guide for older models is only to be used in the following instances:
- 12.1.1 If a vehicle, which has been titled in another state, is being titled in Delaware and there has been no sales tax or similar titling tax paid on the vehicle in the other state within the last 90 days, use the current N.A.D.A. Official Used Car Guide OR the N.A.D.A. Appraisal Guide for OLDER Vehicles (whichever guide the vehicle is listed in) to determine the current average ~~trade-in~~ trade-in value and assess the vehicle document fee.

12.1.2 If a Delaware title is being presented for transfer and the applicant has no Bill of Sale or the reverse side of the Delaware title does not indicate the purchase price, the document fee is to be based on the current average trade-in value as listed in the current N.A.D.A Guide.

12.2 However, the owner may elect to obtain an appraisal from a licensed Delaware dealer, and such appraisal may also be considered in determining the vehicle document fee.

### **13.0 Prorated Document Fee**

If an individual received a part-interest in a vehicle whether by gift or purchase, the amount of the document fee shall be prorated in ~~accord~~ accordance with the number of persons named as owners on the new certificate of title.

**19 DE Reg. 1030 (05/01/16)**

**27 DE Reg. 94 (08/01/23) (Prop.)**